

IDAHO FALLS REDEVELOPMENT AGENCY
P.O. BOX 50220
IDAHO FALLS, IDAHO 83405-0220

March 20, 2014

Regular Meeting
Minutes

Council Chambers

Call to Order: Chair Radford called the meeting to order at 12:08 p.m.

Members Present: Lee Radford, Linda Martin, Brent Thompson, and Terry Gazdik.

Members Absent: Lee Staker, Thomas Hally.

Also Present: Ryan Armbruster, Legal Counsel, via telephone; Renee Magee, Executive Director; Thane Sparks, Agency Treasurer; Rebecca Casper, Mayor, Idaho Falls; Brad Cramer, Director, Idaho Falls Planning and Building Division; Greg Weitzel, Director, Idaho Falls Parks and Recreation Division.

Modifications to the Agenda: There were no changes to the agenda.

Approval of Minutes: The minutes for February, 2014, were not available. To ratify action taken at the February meeting, **Thompson moved to approve as signatories on financial accounts of the Agency, including the checking account, members Lee Radford and Terri Gazdik and treasurer Thane Sparks. Martin seconded the motion, and it passed unanimously.**

Approval of Bills: Radford presented the finance report dated March 20, 2014. The following bills were presented to be paid from the Snake River Allocation Fund: Elam and Burke, legal services, \$2,680.95; Kevin Machen, snow removal, \$70.00; *The Post Register*, advertisements for annual report, \$248.61; City of Idaho Falls, recording fee reimbursement, \$13.00; and M.O.B., LLC, parking lot lease, \$4,488. **Thompson moved to approve the bills as read. Martin seconded the motion, and it passed unanimously.**

Opportunity for Public Comment and Resolution Approving Annual Report for 2014 and Notice of Filing: After announcing the annual report has been available for public review in the Idaho Falls planning department and on the city website and announcements of this meeting were published in *The Post Register*, Radford opened the floor for public comment. There was no public comment. Radford read the Resolution by title. **Gazdik moved to approve the Resolution adopting the annual report and notice of filing. Martin seconded the motion,** Idaho Falls Redevelopment Agency, March 20, 2014

and it passed unanimously.

Discussion of Funding for River Gardens Phase II and Authorization for Preparation of Construction Project Agreement: Radford asked Greg Weitzel, Director, Parks and Recreation Division, to explain the request for funding for River Gardens Phase II. This proposed project is for improvements on 850 lineal feet north of the Idaho Falls sewer trunk line crossing and on the Greenbelt on the west side of the Snake River. Weitzel reviewed the request for \$390,000 for the River Garden Phase II. He stated one of the conditions of the approval of the Agency for funding was a written approval from Taylor Crossing on the River, LLC, for use of approximately \$200,000 of the allocation originally set aside for Riverwalk Drive. He, Lee Radford, and Renee Magee met with Lorin Walker last Monday and received a verbal commitment from the Walkers. The City Council has authorized receiving bids for this project and Parks and Recreation and Public Works are working on the bid documents for this project. The goal is put to out the request for bids at the end of March. Weitzel requested a construction project agreement with the City of Idaho Falls. Magee explained two agreements were needed: an amendment to the Owner Participation Agreement (OPA) with Taylor Crossing and a construction project agreement with the City of Idaho Falls for the River Garden Phase II project.

Radford summarized the history of the OPA with Taylor Crossing. Originally, projects totaling \$6.3 million were anticipated in Attachment 8A of the OPA. Taylor Crossing has not developed as originally anticipated. A projection of revenues for the remaining period of the district is approximately \$1.6 million. Radford and Magee approached the Walkers with the idea of terminating the OPA. To do this, the first agreement needed is to fund River Gardens Phase II at an anticipated cost of \$390,000. This will be a short agreement. The second agreement, the more involved agreement, is to terminate the OPA but agree to use Agency monies to fund the construction of Riverwalk Drive, all or a portion of which may be a public road. The estimated costs may be \$1 million to \$1.2 million to complete construction of Riverwalk Drive, hopefully during 2015. The final agreement, the third, is a construction project agreement with the City to manage the River Gardens Phase II.

Gazdik clarified the funding for River Gardens Phase II and Riverwalk Drive will be come from the projected \$1.6 million in tax increment from Taylor Crossing. Radford explained the Walkers are planning for residential north of the Cooper-Norman building to the Watco railroad track. The completion of Riverwalk Drive will spur this development. Although the Agency may not receive the tax revenues, the other taxing entities will benefit. Magee explained Riverwalk Drive, as originally planned, was to be a private road.

Radford felt it was important to have an agreement with the Walkers to use \$390,000 for River Gardens Phase II. Weitzel also asked for a construction project agreement in order to move the project forward. He explained two agreements were needed for the City to get started.

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Armbuster suggested the Board could move to authorize the preparation of a construction project agreement for the River Gardens project in the amount of \$390,000. A second motion could be to prepare a short agreement memorializing the transfer of \$200,000 from other categories under Attachment 8A for the River Gardens. **Thompson moved and Martin seconded the motion to authorize legal counsel to complete a short agreement with Taylor Crossing authorizing the use of \$200,000 from other categories under the OPA for the River Gardens Phase II project.** The vote was Martin, yes; Thompson, yes; Radford, yes; Gazdik, abstain. **The motion passed 3 to 0 with one abstention. Staker and Hally were absent.**

Martin moved and Thompson seconded the motion to authorize legal counsel to complete a project construction agreement with the City of Idaho Falls for the River Gardens Phase II project in the amount of \$390,000. The vote was Martin, yes; Thompson, yes; Radford, yes; Gazdik, abstain. **The motion passed 3 to 0 with one abstention. Staker and Hally were absent.**

Approval of Engagement Letter for Auditing Services with Rudd and Company. Sparks explained Rudd and Company has submitted an engagement letter for the audit services for the Agency for the next three years. The Agency just ended a three year engagement with Rudd and Company. The cost for the last three years was \$5,250 annually. The cost for the next three years is \$5,750 per year. Gazdik stated the increase is an inflationary increase. Rudd and Company has delivered a quality product in a timely manner. **Gazdik moved to approve the engagement letter. Martin seconded the motion, and it was approved unanimously.**

Updates: Broadway Ford. The Reimbursement Agreement between Broadway Ford and the Agency has been executed. After execution of the Agreement, the City quit claimed Oregon Avenue to the Agency and the Agency quit claimed Oregon Avenue to Broadway Ford in accordance with the Agreement. Both deeds have been recorded. Broadway Ford is now proceeding with their project.

Bowman Appraisal Services. Ward Bowman was not able to inspect the Bonneville Hotel until February 21. Kent Lott was out of town prior to that date. Lott gave Bowman the financials he needed for the appraisal on March 12.

Renaissance Partners. Radford explained Renaissance Partners redeveloped the area from the Wardell-Mercury intersection south to Pancheri west of Utah Avenue. Renaissance brought in Wal-Mart, Olive Garden, Dave's Barbecue, and Starbuck's as well as Fairfield Inn, Wendy's, KJ's, and Shari's and relocated UPS and ABF. Renaissance Partners has an Owner Participation Agreement (OPA) in which the Agency receives 25% of the tax increment and Renaissance Partners receives 75% of the increment. Although Renaissance will receive the principal amount of the note, i.e., slightly over \$4 million, most of the payments will be credited to interest, not

principal. Kirk Hansen, Renaissance Partners, is asking the increment from Fairfield Inn, Wendy's, and KJ's be paid towards the note. These properties were not in the listed in the OPA. Thompson asked which area has not developed as Renaissance Partners anticipated. Radford responded it is the area south of Wal-Mart bordering Pioneer Road. Thompson said these properties were sold by Renaissance Partners prior to the recession. Hansen, in this request, pointed out his project started the redevelopment on the Broadway entrance way and he introduced the concept of accepting a note for public improvements rather than asking for the Agency to issue a bond. When he began to work with the Agency, he was already planning for the Fairfield Inn.

Gazdik asked if the anticipated \$248,000 in additional increment is annually or for four years. Magee replied it is for four years. Gazdik asked if allocating the funds will hurt budgeted projects. Magee answered not budgeted projects. Radford continued there are planned projects but not budgeted projects. Renaissance Partners asked for increment from Wendy's and KJ's as well but Hansen recognizes they were built before serious discussions with the Agency. He also asked for payment back to the year 2010 on these parcels.

Thompson noted selling the parcels meant Renaissance Partners lost control of the undeveloped parcels. To develop as anticipated, Renaissance needed to retain the parcels.

Radford explained he did discuss possibilities and incentives for future development with Hansen. Hansen was agreeable to looking at developing other parcels in the area. As Radford noted, the Agency is complying with the OPA. Other developers have been hurt by the recession also.

Thompson liked the idea of an incentive rather than simply modifying the existing OPA. If new development were spurred by Renaissance Partners, then a greater share of the increment may be reasonable. Martin and Gazdik agreed. They did not wish to revise the OPA without additional development.

Radford recognized Renaissance Partners for their hard work in relocating and removing the industrial uses in the area. The negotiations were long and difficult, and Hansen's efforts changed the nature of the entrance way to Idaho Falls.

Legislative Activity and the Redevelopment Association of Idaho. Armbruster reported the Legislature may adjourn today. There were more bills on urban renewal than anticipated at the beginning of the session. Two bills on urban renewal passed the House but will die in the Senate. Personal property tax exemption will not change other than a clarification of the term "fixture." One bill did pass concerning reporting. The list of board members and other data will need to be reported to a central clearing house. There was a bill proposed to remove the levy for community colleges from tax increment: it was different from other bills in the past which removed voter approved levies. The Redevelopment Association will prepare a legislative recap
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in the next month and distribute it to members of the Association.

The meeting adjourned at 1:01 p.m.

Respectfully submitted,

Renee R. Magee
Recording Secretary

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